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Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 IO-14 ISO-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 FRB-02 H-03 INR-10 L-03 LAB-06

NSAE-00 NSC-10 PA-04 RSC-01 AID-20 CIEP-02 SS-20

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 OMB-01

DRC-01 /185 W
---------- 078335
R 252011Z OCT 73
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 5084
INFO AMEMBASSY BONN
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY THE HAGUE
USMISSION EC BRUSSELS
USMISSION GENEVA

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E.O. 11652: N/A
TAGS: EGEN
SUBJECT: SUGAR: HOUSE OF COMMONS DEBATE

SUMMARY. OVER PASTFEW WEEKS MAJOR PUBLIC RELATIONS CAMPAIGN HAS BEEN WAGED BY DIVERSE GROUP OF CANE SUGAR REFINERS, TRADE UNIONS, THIRD WORLD ADVOCATES, AND ANTI-EEC LABOUR PARTY POLITICANS OVER BRITISH SUGAR POLICY. CAMPAIGN CLIMAXED IN DEBATE YESTERDAY IN HOUSE OF COMMONS. GOVERNMENT AGREED IN ADVANCE TO LABOUR-SPONSORED MOTION, REAFFIRMING PLEDGES TO COMONWEALTH LDC SUGAR PRODUCERS AND CALLING FOR MAJOR CHANGES IN
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EEC SUGAR POLICY THUS REMOVING SOME, BUT NOT ALL OF

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POLITICAL HEAT FROM ISSUE. END SUMMARY

1. BRITAIN'S MAJOR SUGAR REFINER, TATE & LVLE, JOINED BY TRADE UNIONS REPRESENTING ITS EMPLOYEES, HAS CONDUCTED MAJOR CAMPAIGN FOR PAST FEW WEEKS OVER ISSUE OF BRITISH AND EEC SUGAR POLICY. COMPANY'S INTEREST IS IN SECURING MOST FAVORABLE POSSIBLE TERMS FOR IT IN REORGANIZATION OF BRITISH SUGAR INDUSTRY THAT COMMUNITY MEMBERSHIP HAS MADE NECESSARY. LABOR UNIONS ARE CONCERNED OVER LOSS OF JOBS THAT ALMOST INEVITABLE CONTRACTION OF CANE SUGAR REFINING SECTION OF INDUSTRY MAY MAKE NECESSARY. THIS UNUSUAL (FOR BRITAIN) COLLABORATION BETWEEN CAPITAL AND LABOR HAS PICKED UP A NUMBER OF ALLIES, BOTH AMONG THOSE WHO FEEL THAT SUGAR IS TEST CASE FOR BRITAIN AND COMMUNITY'S WILLINGNESS FOLLOW AN OPEN AND GENEROUS POLICY TOWARDS DEVELOPING WORLD, AND AMONG ANTI-EEC POLITICANS IN LABOUR PARTY WHO FIND SUGAR A CONVENIENT CUDGEL FOR ATTACKING GOVT. ON BOTH PRICES AND COMMUNITY MEMBERSHIP.

2. UNIONS HAVE BEEN PARTICULARLY ACTIVE LOBBYING PARLIAMENT AND LABOUR PARTY, AND PERSUADED LATTER TO BRING FORWARD A MOTION ON SUGAR. GOVERNMENT TOOK SOMEWHAT UNUSUAL STEP OF AGREEING TO IT, THUS AVOIDING POSSIBLE VOTE ON MOTION, BUT NOT COMMONS DEBATE.

3. MOTION READS AS FOLLOWS: QUOTE THAT THIS HOUSE, RECALLING THE DEPENDENCE OF DEVELOPING COMMONWEALTH COUNTRIES, BOTH ON THE SALE OF CANE SUGAR TO THE UNITED KINGDOM AND ON ORDERLY MARKETING THROUGH THE INTERNATIONAL SUGAR AGREEMENT, ACCEPTING THE NEED FOR THE EEC TO CURTAIL ITSOWN PRODUCTION OF BEET AND TO JOIN A NEW INTERNATIONAL SUGAR AGREEMENT AS A MAJOR NET IMPORTER OF SUGAR AND, NOTING THE INTERESTS OF THOSE EMPLOYED IN THE SUGAR REFINERIES ON THE CLYDE, THE MERSEY AND THE THAMES IN THE MAINTENANCE OF A VIABLE REFINING INDUSTRY IN THE UNITED KINGDOM, CALLS UPON THE GOVERNMENT TO REAFFIRM AND HONOUR THEIR UNDERTAKINGS TO THE COMMONWEALTH SUGAR PRODUCERS TO IMPORT 1,400,000 TONS OF CANE SUGAR WHEN THE PRESENT COMMON-
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WEALTH SUGAR AGREEMENT ENDS AND TO INSIST UPON MAJOR ACCOMPANYING CHANGES IN THE SUGAR POLICIES OF THE EEC. END QUOTE

4. DEBATE THAT FOLLOWED RANGED WIDELY OVER ISSUES INVOLVED. MINISTER OF AGRICULTURE, GODHER, FOR GOVT REITERATED BRITAIN'S COMMITMENT TO 1.4 MILLION TON FIGURE FOR COMMONWEALTH LDC'S, SAID THAT COMMISSION'S

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PROPOSALS HAD BEEN ACCEPTED BY ALL BRITAIN'S PARTNERS
IN EEC EXCEPT FRANCE, "AND FRANCE HAD NOT REJECTED
THEM". HE SAID GOVT BELIEVED BRITISH BEET SUGAR IN-
DUSTRY, WHICH HAD BEEN SEVERELY RESTRICTED TO MAKE ROOM
FOR COMMONWEALTH IMPORTS, SHOULD BE GIVEN OPPORTUNITY
TO EXPAND TO TAKE ACCOUNT OF PHASING OUT OF AUSTRALIAN
QUOTA UNDER CSA, AND TO PUT IT ON EQUAL FOOTING WITH
EUROPEAN BEET SUGAR INDUSTRIES. HE SAID, SOMEWHAT
DISINGENUOUSLY, THAT STRUCTURAL PROBLEMS OF REFINING
INDUSTRY WOULD HAVE EXISTED WHETHER OR NOT BRITAIN HAD
JOINED COMMUNITY. FINALLY, HE TOOK EXCEPTION TO AD
INSERTED BV SAR WORKERS IN TUESDAV'S "TIMES"
WHICH ASSERTED THAT PRICE OF SUGAR WOULD TRIPLE IN TWO

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DRC-01 /185 W
---------- 078369
R 252011Z OCT 73
FM AMEMBASSY LONDON
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YEARS AND BLAMED FRENCH FOR THIS CONCLUDING THAT "WHERE NAPOLEAN FAILED, POMPIDOU SUCCEEDS". GODBER DESCRIBED THIS ADVERTISEMENT AS "BASED ON ONE OF THE WILDEST DISTORTIONS OF FACT EVER PUT BEFORE BRITISH PUBLIC".

5. ONE LABOUR MP STATED BALDLY THAT "GOVT TELLS LIES". OTHER LABOUR AND CONSERVATIVE MP'S EXPRESSED DISQUIET OVER SITUATION, URGING GOVERNMENT TO STAND FIRM IN BRUSSELS, AND IN WINDING UP FOR LABOUR, MRS. JUDITH HART, SAID THAT LABOUR PARTY COULD NOT ACCEPT ANY CONTRACTION IN BRITISH REFINING INDUSTRY AND THEY RELIED
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ON GOVT TO PREVENT THIS FROM HAPPENING. SHE SAID, "THIS WAS TEST OF WHAT EEC WAS ALL ABOUT IN ITS RE-LATIONS WITH OUTSIDE WORLD".

COMMENT. BRITAIN IS NOW MORE FIRMLY COMMITED THAN EVER TO 1.4 MILLION TON FIGURE, AND WE DOUBT IF IT PRACTICAL OR POSSIBLE FOR GOVT TO RETREAT FROM IT. (IN FAIRNESS, THEY SHOW NO SIGNS OF INTENDING DO SO.) HOWEVER, INTENSITY OF FEELINQ OVER SUGAR REVEALED IN DEBATE, PROBABLY NARROW BRITAIN'S NEGOTIATING OPTIONS IN FORTHCOMING DISCUSSIONS WITIN COMMUNITY AND INSURE THAT WHATEVER NEGOTIATING COMPROMISE INVOLVING OTHER ASPECTS OF COMMUNITY SUGAR POLICY, WHICH EVENTUALLY EMERGES WILL BE SUBJECT TO PARTICULARLY CAREFUL SCRUTINY.

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Decaption Note:
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Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition Reason:
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Review Exemptions: n/a
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TAGS: EGEN
To: STATE
Type: TE
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